

FIRST REGULAR SESSION

SENATE BILL NO. 305

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATORS DEMPSEY, PEARCE AND SCHAEFER.

Read 1st time February 4, 2009, and ordered printed.

TERRY L. SPIELER, Secretary.

1477S.02I

AN ACT

To amend chapter 172, RSMo, by adding thereto six new sections relating to science and technology reinvestment districts, with an emergency clause.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 172, RSMo, is amended by adding thereto six new
2 sections, to be known as sections 172.975, 172.978, 172.981, 172.984, 172.987, and
3 172.990, to read as follows:

172.975. 1. Sections 172.975 to 172.990 shall be known and may
2 be cited as the "Missouri's Best Act".

3 2. As used in sections 172.975 to 172.990, the following terms shall
4 mean:

5 (1) "Commission", a building excellence in science and technology
6 reinvestment district commission established pursuant to section
7 172.981, which implements science and technology projects to enhance
8 the capacity for research, development, technology transfer, and
9 technology commercialization;

10 (2) "Commissioner", an appointed member of a reinvestment
11 district commission;

12 (3) "Department", the department of economic development;

13 (4) "District", a building excellence in science and technology
14 district established pursuant to section 172.978 to enhance the capacity
15 for research, development, technology transfer, and technology
16 commercialization. In the event any part of a municipality is located
17 within a county included in a district, and such municipality also
18 encompasses a part of another Missouri county not within the district,
19 the entire area encompassed within the city limits of such municipality
20 shall be a part of the geographic area of such district;

21 (5) "Science and technology company", any for-profit company,
22 including related facilities, whose primary activities are in agriculture,
23 pharmaceuticals, biomedical, health care, or food ingredients, and
24 whose Standard Industrial Code classifications, are 202, 207, 283, 284,
25 286, 287, 384, 806, 807, 2491, 2824, 3821, 3826, 3851, 7372, 7374, 8731, or
26 8734, as defined in the 1987 edition of the Standard Industrial
27 Classification Manual as prepared by the Executive Office of the
28 President, Office of Management and Budget or corresponding or
29 similar such codes of the North American Industry Classification
30 System (NAICS), as determined by the research board;

31 (6) "Science and technology institution", any public or private
32 not-for-profit academic, research, or health care institution or
33 organization engaged in competitive research, development, technology
34 transfer, workforce development, or technology commercialization in
35 science and technology, or any not-for-profit entity engaged in
36 activities designed to advance the science and technology industry;

37 (7) "Science and technology project", any project undertaken by
38 a science and technology institution located within a district for the
39 primary purpose of increasing the capacity for researching, developing,
40 transferring, or commercializing science and technology.

172.978. 1. Nine districts are hereby established, subject to the
2 following provisions:

3 (1) The Kansas City area district shall consist of the geographical
4 area encompassing Jackson, Clay, and Platte counties;

5 (2) The St. Louis area district shall consist of the geographical
6 area encompassing the city of St. Louis, St. Louis, St. Charles,
7 Jefferson, and Franklin counties;

8 (3) The central Missouri district shall consist of the geographical
9 area encompassing Phelps, Boone, and Callaway counties;

10 (4) The Springfield area district shall consist of the geographical
11 area encompassing Greene, Christian, and Webster counties;

12 (5) The St. Joseph area district shall consist of the geographical
13 area encompassing Buchanan and Andrew counties;

14 (6) One state-wide district shall consist of all geographical areas
15 not encompassed within the districts provided under subdivisions (1)
16 to (5) of this subsection;

17 (7) Three districts shall be formed at the discretion of the

18 department.

19 2. Nothing in this section shall prevent districts from
20 collaborating with other districts to jointly implement science and
21 technology projects. Such collaboration may include the combination
22 of moneys received from each district to implement life sciences
23 projects.

172.981. 1. Each district shall be overseen by a commission,
2 which shall consist of a chairperson and four additional
3 commissioners. Members of the commission including the chairperson
4 shall be appointed by the governor with the advice and consent of the
5 senate. Each commission shall be comprised of the following:

6 (1) Two commissioners of each commission shall be generally
7 familiar with science and technology research and technology
8 transfer. Such familiarity may include technical or scientific
9 experience in basic, translational, or research and experience with
10 obtaining federal or state intellectual property protection and
11 intellectual property licensing;

12 (2) Two commissioners of each commission shall be generally
13 familiar with science and technology commercialization and science
14 and technology infrastructure development. Such familiarity may
15 include finance experience for sciences reduction to practice, proof of
16 concept, and achieving federal Food and Drug Administration
17 approvals, and development of physical environments for conducting
18 science and technology research such as laboratory space, clean room
19 facilities, and biohazard facilities;

20 (3) Each commissioner shall be a qualified voter of the state of
21 Missouri and a resident of either the county or city not within a county
22 within the relevant district.

23 2. No commissioner shall serve more than two consecutive full
24 four-year terms. Commissioners shall receive no salary or other
25 compensation for their services as commissioners, but shall receive
26 necessary travel and other expenses incurred while actually engaged
27 in the discharge of their official duties. In the event a commissioner or
28 family member of a commissioner is directly or indirectly financially
29 interested in the implementation of any science and technology project
30 by the commission, such commissioner shall disclose such information
31 to the reinvestment commission and abstain from any formal or

32 informal actions regarding such science and technology project. Direct
33 or indirect financial interest shall not preclude an interested
34 commissioner from conducting other unrelated commission business.

35 3. In the event a vacancy exists or in the event a commissioner's
36 term expires, a successor commissioner shall be appointed by the
37 governor, and if no person is so selected within sixty days of the
38 creation of the vacancy, the unexpired term of such commissioner may
39 be filled by a majority vote of the remainder of the commissioners,
40 provided such successor commissioner meets the requirements set forth
41 in this section. Commissioners appointed to fill unexpired terms shall
42 only serve until such unexpired term expires. Pending any such
43 appointment to fill any vacancy, the remaining commissioners may
44 conduct reinvestment commission business.

45 4. Upon the vacancy of a chairperson appointed by the governor,
46 the commission shall elect a new chairperson from its
47 commissioners. The commission may appoint such officers and employ
48 such employees as they may require for the performance of their duties
49 and may fix and determine the qualifications, duties, and compensation
50 of such officers and employees consistent with the provisions of
51 sections 172.975 to 172.990.

52 5. No action of the commission shall be binding unless taken at
53 a meeting at which at least a majority of the commissioners then
54 appointed vote in favor of such action.

172.984. 1. The commission shall review and prioritize
2 applications for science and technology projects received from science
3 and technology institutions within a district. Applications for science
4 and technology projects shall include details of the goals related to the
5 science and technology project, the steps necessary to achieve such
6 goals, and methods to measure success of the science and technology
7 project.

8 2. The commission shall submit the reviewed and prioritized
9 applications for science and technology projects to the department for
10 approval. With the application, the commission shall pay the
11 department an application fee as provided by departmental rule. Upon
12 approval by the department, the department may disburse funds
13 received from such districts for approved science and technology
14 projects.

15 3. Funds received by the department may be used for purposes
16 authorized in sections 172.975 to 172.990 and shall be subject to the
17 restrictions of sections 172.975 to 172.990, including but not limited to,
18 the costs of science and technology project review, personnel, supplies,
19 equipment, and renovation or construction of physical facilities. Such
20 moneys shall supplement existing services and funding and shall not be
21 used to supplant any existing public funding for science and technology
22 projects or any other public law, funding, or appropriation.

23 4. Moneys transferred to the department shall be used to
24 increase the capacity for science and technology research,
25 development, technology transfer, science and technology workforce
26 development, and technology commercialization at science and
27 technology institutions within the districts created under section
28 172.978.

29 5. Moneys transferred to the department that are not distributed
30 by the department in any fiscal year, if any, shall not revert or be
31 transferred to general revenue and be held in reserve by the
32 department.

33 6. Upon approval of the department, the commission may
34 implement science and technology project applications by:

35 (1) Awarding and entering into grants or contracts related to
36 increasing Missouri's capacity for research, development, life sciences
37 workforce development, technology transfer, and technology
38 commercialization at life sciences institutions consistent with the
39 provisions of sections 172.975 to 172.990;

40 (2) Contracting for administrative and support services;

41 (3) Leasing or acquiring facilities and equipment;

42 (4) Employing administrative staff; and

43 (5) Receiving, retaining, holding, investing, disbursing, or
44 administering any moneys that it receives from any source.

45 7. The reinvestment commission shall utilize as much of the
46 moneys as reasonably possible for building capacity at science and
47 technology institutions and to enhance research, development,
48 technology transfer, workforce development, and technology
49 commercialization capabilities rather than for administrative
50 expenses. The department shall not in any fiscal year expend more
51 than two percent of its total moneys and of the moneys that it has in

52 reserve or has received from other sources for its own administrative
53 expenses, provided, however, that the general assembly may authorize
54 a limited amount of additional moneys to be expended for
55 administrative costs by appropriation to the department.

56 8. Grant or contract awards shall provide for the reimbursement
57 of costs. Permissibility of reimbursement of specific costs shall depend
58 upon the application of a four-part balancing test, which shall include:

- 59 (1) The reasonableness of the cost;
60 (2) The connection to the grant or contract;
61 (3) The consistency demonstrated in assigning costs to the grant
62 or contract; and
63 (4) Conformance with the specific terms and conditions of the
64 award or contract.

65 Commissions may issue rules and guidelines consistent with
66 department rules and regulations to provide grant and contract
67 recipients with a list or other explanation of regularly permitted costs.

68 9. Funding of science and technology projects shall be limited by
69 Missouri laws governing the expenditure of public funds.

70 10. Every three years, commissions, with the assistance of staff
71 or independent contractors, shall prepare comprehensive reports
72 assessing the work and progress of enhancing, individually, science and
73 technology research capacity, science and technology development
74 capacity, science and technology transfer capacity, workforce
75 development, and science and technology commercialization
76 capacity. Such reports shall analyze the impact of the science and
77 technology programs recommended by the commissions, and approved
78 by the department, grants, and contracts performed. Such reports shall
79 be provided to the governor and the general assembly, and shall be
80 made available to the public. The department shall provide reasonable
81 reimbursement to the districts for the cost of compiling such reports.

172.987. Any rule or portion of a rule, as that term is defined in
2 section 536.010, RSMo, that is created under the authority delegated in
3 sections 172.975 to 172.990, RSMo, shall become effective only if it
4 complies with and is subject to all of the provisions of chapter 536,
5 RSMo, and, if applicable, section 536.028, RSMo. Sections 172.975 to
6 172.990, RSMo, and chapter 536, RSMo, are nonseverable and if any of
7 the powers vested with the general assembly pursuant to chapter 536,

8 RSMo, to review, to delay the effective date, or to disapprove and annul
9 a rule are subsequently held unconstitutional, then the grant of
10 rulemaking authority and any rule proposed or adopted after August
11 28, 2009, shall be invalid and void.

172.990. 1. The "Building Excellence in Science and Technology
2 Fund" is hereby created which shall consist of money collected under
3 sections 172.975 to 172.990. The state treasurer shall be custodian of
4 the fund and may approve disbursements from the fund in accordance
5 with sections 30.170 and 30.180, RSMo. Upon appropriation, money in
6 the fund shall be used solely for the administration of this
7 section. Notwithstanding the provisions of section 33.080, RSMo, to the
8 contrary, any moneys remaining in the fund at the end of the biennium
9 shall not revert to the credit of the general revenue fund. The state
10 treasurer shall invest moneys in the fund in the same manner as other
11 funds are invested. Any interest and moneys earned on such
12 investments shall be credited to the fund.

13 2. Any science and technology company which is eligible for tax
14 credits issued under section 680.1881, RSMo, shall also be eligible to
15 retain and deposit into the "Building Excellence Science and
16 Technology Fund", an amount equal to a maximum of five percent of
17 new payroll as defined in section 620.1878, RSMo, for a period of fifteen
18 years from the date such company would be eligible to receive tax
19 credits under section 620.1878, RSMo. However if such science and
20 technology company receives tax credits under section 620.1881, RSMo,
21 then the sum of:

22 (1) The years the science and technology company received tax
23 credits under section 620.1881; and

24 (2) The number of years the company retained and deposited,
25 into the building excellence science and technology fund, an amount of
26 five percent of new payroll as defined in section 620.1878, RSMo, shall
27 be no greater than fifteen years.

28 3. The department of economic development shall establish a
29 subaccount within the building excellence in science and technology
30 fund for each building excellence in science and technology
31 reinvestment district created. The amount of funds in each subaccount
32 shall be used to fund that district's science and technology projects for
33 which the reinvestment commission will apply. The department shall

34 **establish the process and forms by which the reinvestment commission**
35 **shall submit their science and technology application by rule.**

Section B. Because the need to encourage the advancement of the state
2 in the fields of science and technology, section A of this act is deemed necessary
3 for the immediate preservation of the public health, welfare, peace and safety,
4 and is hereby declared to be an emergency act within the meaning of the
5 constitution, and section A of this act shall be in full force and effect upon its
6 passage and approval.

Unofficial

Bill

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